

Agenda Date: September 13, 2006
Item Number: A5

Docket: UT-063064
Company Name: Embarq, Qwest and Verizon

Staff: Bob Shirley, Telecommunications Policy Analyst

Recommendation

Direct the Executive Secretary to certify to the Federal Communications Commission (FCC) and the Universal Service Administrative Company (USAC) that the commission has reviewed the comparability of urban rates nationwide to residential rates in rural areas of the state served by non-rural incumbent local exchange carriers, and certifies to the Commission and the Administrator the rates are reasonably comparable for purposes of section 254(b)(3) of the Telecommunications Act of 1996.

Background

The FCC will withhold federal universal service support from non-rural carriers that deserve support based on forward-looking costs unless the state commission has certified that the commission has reviewed the comparability of urban rates nationwide to residential rates in rural areas of the state served by non-rural incumbent local exchange carriers, and certifies to the Commission and the Administrator the rates are reasonably comparable for purposes of section 254(b)(3) of the Telecommunications Act of 1996. Non-rural carriers in Washington are Embarq, Qwest, and Verizon.

Non-rural carriers may be eligible to receive federal universal service support based on forward-looking economic costs as determined by an FCC cost model. At present, no non-rural carrier receives federal universal service support for its operations in Washington as a result of the forward-looking cost model employed by the FCC.

The FCC can change the cost model it uses to determine support amounts based on the model, and the result of a change could be to make eligible for support one or more non-rural companies operating in Washington. The commission has submitted comments to the FCC requesting that the FCC alter its method of calculating forward-looking support so that non-rural companies operating in Washington will qualify for forward-looking support.

Conclusion

Commission staff recommends making the certification so that non-rural carriers may receive support if the FCC should alter its method of calculation in a manner that results in non-rural carriers in Washington qualifying for forward-looking support.

September __, 2006

Ms. Marlene H. Dortch
Office of the Secretary
Federal Communications Commission
445-112 12th Street, SW
Room TW-A306
Washington, DC 20554

Ms. Karen M. Majcher
Universal Service Administrative Company
2000 L. Street, NW
Suite 200
Washington, DC 20037

Re: CC Docket 96-45, USF Certification Pursuant to 47 C.F.R. § 54.316

Dear Ms. Dortch and Ms. Majcher:

Pursuant to 47 C.F.R. § 54.316(b) the Washington Utilities and Transportation Commission certifies it has reviewed the comparability of urban rates nationwide to residential rates in rural areas of the state served by non-rural incumbent local exchange carriers, and certifies to the Commission and the Administrator the rates are reasonably comparable for purposes of section 254(b)(3) of the Telecommunications Act of 1996.

If you have any questions regarding this letter, please contact Bob Shirley at bshirley@wutc.wa.gov or at (360) 664-1283.

Sincerely,

CAROLE J. WASHBURN
Executive Secretary